

15 U.S.C.A. § 77l

United States Code Annotated Currentness

Title 15. Commerce and Trade

⌕ Chapter 2A. Securities and Trust Indentures (Refs & Annos)

⌕ Subchapter I. Domestic Securities (Refs & Annos)

⇒§ 77l. Civil liabilities arising in connection with prospectuses and communications

(a) In general

Any person who--

(1) offers or sells a security in violation of section 77e of this title, or

(2) offers or sells a security (whether or not exempted by the provisions of section 77c of this title, other than paragraphs (2) and (14) of subsection (a) of said section), by the use of any means or instruments of transportation or communication in interstate commerce or of the mails, by means of a prospectus or oral communication, which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading (the purchaser not knowing of such untruth or omission), and who shall not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of such untruth or omission,

shall be liable, subject to subsection (b) of this section, to the person purchasing such security from him, who may sue either at law or in equity in any court of competent jurisdiction, to recover the consideration paid for such security with interest thereon, less the amount of any income received thereon, upon the tender of such security, or for damages if he no longer owns the security.

(b) Loss causation

In an action described in subsection (a)(2) of this section, if the person who offered or sold such security proves that any portion or all of the amount recoverable under subsection (a)(2) of this section represents other than the depreciation in value of the subject security resulting from such part of the prospectus or oral communication, with respect to which the liability of that person is asserted, not being true or omitting to state a material fact required to be stated therein or necessary to make the statement not misleading, then such portion or amount, as the case may be, shall not be recoverable.

CREDIT(S)

(May 27, 1933, c. 38, Title I, § 12, 48 Stat. 84; Aug. 10, 1954, c. 667, Title I, § 9, 68 Stat. 686; Dec. 22, 1995, Pub.L. 104-67, Title I, § 105, 109 Stat. 757; Dec. 21, 2000, Pub.L. 106-554, § 1(a)(5) [Title II, § 208(a)(3)], 114 Stat. 2763, 2763A-436.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1954 Acts. House Report No. 1542 and Conference Report No. 2433, see 1954 U.S. Code Cong. and Adm. News, p. 2973.

1995 Acts. Senate Report No. 104-98 and House Conference Report No. 104-369, see 1995 U.S. Code Cong. and Adm. News, p. 679.

2000 Acts. House Report No. 106-645 and Statement by President, see 2000 U.S. Code Cong. and Adm. News, p. 2459.

Amendments

2000 Amendments. Subsec. (a)(2). Pub.L. 106-554, § 1(a)(5) [Title II, § 208(a)(3)], struck "paragraph (2)" and inserted "paragraphs (2) and (14)".